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PROJECT NO. 54584

**RELIABILITY STANDARD FOR
THE ERCOT MARKET**

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**PUBLIC UTILITY COMMISSION OF
TEXAS**

COMMENTS BY HUNT ENERGY NETWORK L.L.C.

Hunt Energy Network L.L.C. (“HEN”) develops, owns and operates energy storage and other generation assets that are interconnected at distribution voltage and fully registered to participate in the ERCOT energy and ancillary services markets. HEN recommended and continues to support the adoption of the Expected Unserved Energy (“EUE”) as the appropriate reliability standard for the reasons explained in our previous filing¹.

While establishing a meaningful reliability standard is a critical threshold step, we need to remember the ultimate purpose of setting that standard: establishing the types and quantity of products ERCOT needs to procure to ensure that reliability is maintained and load shed is avoided. This is the key purpose of the standard whether it is viewed as a report card on the health of the market or a mandatory standard.

The reliability standard provides the Commission with the key inputs necessary to determine resource adequacy and the additional revenue streams required to incent development of new resources in an amount that meets the reliability standard. This approach to establishing the target revenue should then inform the pricing and quantities for Dispatchable Reliability Reserve Service (DRRS), as expressly required by PURA §39.159(d)(1). While the reliability standard is an important stop on the journey, the Commission’s timely adoption of the market design mechanisms such as DRRS to assure resource adequacy is the destination.

HEN appreciates the opportunity to offer these comments and is available to answer questions the Commission may have.

Respectfully submitted,

/s/ Pat Wood III

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¹ PUC Docket 54584, Item 83 - https://interchange.puc.texas.gov/Documents/54584_83_1410806.PDF